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S E C R E T SECTION 01 OF 02 RIGA 000507

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TAGS: [PGOV](#) [KCOR](#) [KJUS](#) [PSNR](#) [LG](#)
SUBJECT: ALLEGED CORRUPTION COSTS CUSTOMS ENFORCEMENT CHIEF
HIS CLEARANCE; JOB?

REF: A. TD314/78341-07 B. TD314/67766-07 C. 07RIGA383
[1](#)D. RIGA23

Classified By: Ambassador Charles W. Larson Jr. Reason 1.4 (b and d)

[1](#)1. (S/NF) SUMMARY: Valdimirs Vaskevics, head of the law enforcement arm of Latvian customs, has been stripped of his security clearance pursuant to an extensive investigation into corruption allegations. Technically, he can remain in his position, but he can't have access to classified information so, practically, he can no longer function in his job. This action by the intel service comes after years of suspicion, a lengthy and involved Anti-Corruption Bureau (KNAB) investigation, and allegations of extraordinary, People's Party-supported corruption. The extent of his alleged illegal dealings range from bribery and extortion through abuse of his office, to (in the personal, unconfirmed view of the intelligence Chief) staging his own attempted murder. The KNAB has designated him a "person of suspicion," but the investigation is still ongoing and they have not yet forwarded a case to the Prosecutor General. END SUMMARY

[1](#)2. (C) On August 8, 2008 the press reported that Valdimirs Vaskevics, the head of the State Revenue Service Custom's Criminal Board (the law enforcement arm of the customs agency), lost his security clearance. We confirmed that with officials at the Constitutional Protection Bureau (SAB). In late 2007 the SAB downgraded his clearance level from Top Secret to Secret (to be reviewed every two months) after a background investigation by the KNAB. At that time his Customs Board position was redefined so he could keep his office with the lower level of clearance. Now the SAB has completely banned Vaskevics from access to state secrets, and, for all intents and purposes, he can no longer do his job. Although the Finance Minister has asked the State Revenue Service to look for candidates for his position, Vaskevics has not yet been dismissed, as he has been on sick leave since July 28 and must be physically present to be fired.

[1](#)3. (C) According to the press, in July 2008 Dzintars Jakans, the State Revenue Service Director General and Vaskevics' boss, ordered an internal probe into Vaskevics' activities. Jakans ordered a special commission to evaluate the situation and submit a report. Only based on that information, Jakans stated, would he consider whether or not to dismiss Vaskevics. At that time Vaskevics stated to the press that he would not resign because he liked his work and wanted to continue what he had started. There has been no recent report of the commission's work and have been unable to verify whether it is still functioning.

[1](#)4. (S/NF) Vaskevics is shrouded in suspicion. The KNAB states that he was involved in illegal property deals between 2002 and 2007 and the press regularly reports on his alleged involvement in various corruption schemes, including possibly narcotics trafficking. Sensitive reporting from post GRPO last autumn suggested that Vaskevics uses his position to extract bribes from various people looking to ship

through/into Latvia and that he funnels a large amount of this money to the People,s Party to support their activities. In return, they protect him in his job and allow him to keep some of the money. (ref A and B) There have been three attempts on Vaskevics' life, and, according to post GRPO, the most recent (ref. C) was possibly one he, himself, staged to draw attention away from his illegal activities and refocus suspicion on others (this is according to unconfirmed, personal suspicions of the SAB Chief). Vaskevics' ex-wife, with whom he still shares a home, is also under investigation for allegedly overcharging the government for the purchase of some land she sold the GOL for a new headquarters building for the customs service. According to Post GRPO information, her brother is reported to be an active Russian FSB officer.

15. (C) The KNAB confirmed to us in June that they were getting close to indicting Vaskevics and alleged that when they notified him that he was a "person of suspicion" in a criminal case and asked him to go in for an interview, he fled the country. (Note: The Vaskevics case, as well as the investigation into the Riga City Council, were cited in the press as reasons that the coalition moved to dismiss Aleksejs Loskutovs as head of the KNAB in June.) We subsequently confirmed with various sources that he left the country legally to attend his daughter's wedding in Cyprus.

16. (S) The KNAB investigation is ongoing; Vaskevics has never formally been charged with anything and he has not been arrested. Earlier this year a KNAB investigator approached the U.S. Embassy, requesting Consular information on Vaskevics and his family, which allegedly ties them to the

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passport scandal in January (ref. D) where people who did not qualify for Latvian passports were being issued them illegally. (This Consular information was not provided to the KNAB.) Vaskevics has publicly stated that he has had a number of meetings with KNAB and the Prosecutor's office at their request, but the KNAB has forwarded no case information to the Prosecutor General for their action.

17. (C) COMMENT: The SAB's action to strip him of his clearance even in the absence of a formal indictment comes as a welcome and long-expected effort toward the arrest of Valdimirs Vaskevics. It is part of the reason we fought changes to the law proposed last year that would have allowed other agencies besides SAB to grant clearances. Vaskevics is a key player in the shadowy network of corrupt activities that operates in support of political parties in Latvia. His successful prosecution, along with that of Ventpils Mayor Aivars Lembergs, would do much to challenge the existing order here. For exactly that reason, it will be a very tough task. END COMMENT
LARSON